GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:420
ANSWERED ON:25.07.2000
UNVIABILITY OF COAL
JAI PRAKASH

Will the Minister of COAL be pleased to state:

(a) whether the coal produced by Indian Mines has become unviablein the domestic market due to high freight charges by the Railways;

(b) if so, whether the matter has been taken up with the Railway; and

(c) if so, the reaction of the Railway thereto?

Answer

THE MINISTER OF STATE FOR COAL (SHRI N.T. SHANMUGAM)

(a): The coal produced in Indian mines is burdened with costadditionalities, including high rates of railway freight. The high incidence of railway freight over long distances is one of the main factors making Indian coal uncompetitive vis-Ã -vis imported coal, particularly in certain coastal areas.

(b)&(c): Ministry of Coal has written to Ministry of Railways for redressingthe imbalance in the railway freight structure which is heavily loaded against the commercial viability of domestic coal. The matter is being pursued vigorously with Ministry of Railways.